(d) if so, what are the results achieved and if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The growth of deposits and credit of foreign banks operating in the country has been higher than that of Indian scheduled commercial banks (excluding RRBs).

(b) The performance of foreign banks in India vis-a-vis public sector banks is not comparable because the branches of foreign banks are located in metropolitan cities and port towns whereas the branches of public sector banks are spread all over the country including semi-urban and rural areas. Moreover, foreign banks have world wide net works of branches which enable them to attract more deposits from non-resident Indians.

(c) and (d) Government had appointed a Committee under the Chairmanship of Shri M. Narasimham to examine the existing structure of the financial system and its various components and to make recommendations for improving the efficiency and effectiveness of the system. The Committee have recommended measures for removal of the rigidities and weaknesses which have developed in the financial system so that it plays its role in ushering in a more efficient and vibrant economy. Some of the recommendations which do not require legislative amendments have since been implemented. It is proposed to implement other recommendations in a phased manner.

Profits of Nationalised Banks

3980. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the profitability of nationalised banks has sharply gone up during the past three years;

(b) if so, what are the details of their gross and net profits for the last three years;

(c) whether any survey undertaken by the Banking Department has established that the increase in liquidity, lending rates and rise in coupon rates are the principal factors responsible for rise in profitability of the banks;

(d) whether it is also a fact that a large number of borrowers have complained about the lack of credit extended by the banks;

(e) whether the profits earned by banks are to be ploughed back in banks to increase their capital adequacy norms; and

(f) if so, what shall be its affect on the availability of liquidity to borrowers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The net profits of nationalised banks have shown an upward trend during the last 3 years The details of net profits (bankwise) for the last 3 years is given in the Statement (*See* below)

(c) The major factors contributing to the increase in the bank's profitability were the enhancement of service charges, containment of growth in establishment expenses, better yield on advances and investment and improved cash management.

(d) Reserve Bank of India have no information in this regard.

(e) and (f) In terms of the provisions of Section 17 of the Banking Regulation Act, 1949, every banking company incorporated in India has to transfer to its reserve fund a sum equivalent to not less than 20 per cent of balance of profit every year (be-

fore declaration of dividend). The capital is treated as capital funds for the purpose of capital adequacy.

Statement

Details of Net Profits of Nationalised Banks for the last three years

(Rs. in crores)

	MARCH		
	1990	1991	1992
1. Allahabad Bank	14.03	19.84	28.10
2. Andhra Bank	7.75	8.21	8.41
3. Bank of Baroda	25.00	56.66	95.10
4. Bank of India	18.11	19.49	56.63
5. Bank of Maharastra	3.02	3.10	4.04
6. Canara Bank	61.27	136.04	156.59
7. Central Bank of India	10.24	9.48	3.05
8. Corporation Bank	4.60	4.65	5.20
9. Dena Bank	1.50	7.26	9.10
10. Indian Overseas Bank	7.01	6.74	9.05
11. Indian Bank	16.08	31.84	36.50
12. New Bank of India	—9.89	—44.99	—41.52
13. Oriental Bank of Commerce	12.85	22.82	26.77
14. Punjab & Sind Bank	0.90	—5.44	0.70
15. Punjab National Bank	28.67	73.69	112.44
16. Syndicate Bank	8.22	2.84	4.46
17. UCO Bank	—54.59	—42.96	—20.98
18. Union Bank	21.96	10.05	29.45
19. United Bank of India	1.15	5.78	6.08
20. Vijaya Bank	7.24	0.25	1.84

IDBI assistance to Mahila Nidhi Scheme

3981. SHRIMATI KAMLA SINHA: Will the Minister of FINANCE be pleased to state:

(a) whether Government consider the need for increasing the assistance from Industrial Development Bank of India (IDBI) for new Mahila Nidhi Scheme;

(b) if so, what initiatives are taken in this regard; and

(c) whether the working of the programme has been successful so far?